Freeze on DA for Government employees

*97. SHRI SUKOMAL SEN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in his speech in the last meeting of the NDC on the 22-23rd May, 1992 as published in most of the National Dailies he has been reported to have pleaded for freezing of DA for the Central and State Governments' employeess;

(b) if so, what are the details thereof; and

(c) whether there is any proposal under Government's consideration to freeze DA payable to the said employees?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) and (b) The Finance Minister in his speech in the meeting of the National Development Council held on 22-23rd May, 1992 had merely stated that both the Centre and the States cannot bear the ever rising burden of payment of Dearness Allowance. The relevant paragraph reads as follows:—

"As regards mounting government expenditure on administration, we will not be able to deal with it unless we adopt a comprehensive incomes policy for the public sector. In particular, both the Centre and States cannot bear the ever rising burden of payments of dearness allowance. The time has come to think about this issue on the basis of wider national interests and divorced from the compulsions of competitive politics. This Council is eminently qualified for the role of arbiter; I would urge it to look for a solution that is fair both to the employees and the millions who do not get dearness and other allowances."

(c) No, Sir.

Restructuring of Banking System in the wake of securities scam

*98. SHRI SURESH KALMADI:
SHRI RAJUBHAI A. PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to restructure the banking system in the country including the Reserve Bank of India in the wake of the recent securities scam; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) Proposals for reforms in the financial system including restructuring of the banking system and supervisory arrangements in the Reserve Bank of India was considered by the Committee on the Financial System (Chairman Shri M. Narasimham) set up by the Government. The recommendations of the Committee are under the consideration of Reserve Bank of India and the Government.

Proposal to enquire into financial irregularities through a foreign agency

*99. SHRI KRISHNA KUMAR BIRLA:
SHRI GHUFRAN AZAM:

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's considertaion to institute a fresh inquiry into the financial irregularities in the securities transactions of banks and financial institutions through a foreign agency;

(b) if so, what are the details thereof;

(c) what are the reasons for instituting the inquiry through a foreign agency; and